

§ 2506.7

the request for a review, unless you request, and the review official grants, a delay in the proceedings;

(6) That any knowingly false or frivolous statements, representations, or evidence may subject you to:

(i) Disciplinary procedures appropriate under 5 U.S.C. chapter 75, 5 CFR part 752, or any other applicable statute or regulations;

(ii) Penalties under the False Claims Act, 31 U.S.C. 3729-3733, or any other applicable statutory authority; and

(iii) Criminal penalties under 18 U.S.C. 286, 287, 1001, and 102, or any other applicable statutory authority;

(7) Of any other rights available to you to dispute the validity of the debt or to have recovery of the debt waived, or remedies available to you under statutes or regulations governing the program for which the collection is being made; and

(8) That unless there are applicable contractual or statutory provisions to the contrary, amounts paid on or deducted for the debt which are later waived or found not owed will be promptly refunded to you.

(d) The Corporation will respond promptly to communications from you.

§ 2506.7 What interest, penalty, and administrative costs will I have to pay on a debt owed to the Corporation?

(a) *Interest.* (1) The Corporation will assess interest on all delinquent debts unless prohibited by statute, regulation, or contract.

(2) Interest begins to accrue on all debts from the date that the debt becomes delinquent. The Corporation will not recover interest if you pay the debt within 30 days of the date on which interest begins to accrue. Unless otherwise established in a contract, repayment agreement, or by statute, the Corporation shall assess interest at the rate established annually by the Secretary of the Treasury under 31 U.S.C. 3717, unless a different rate is necessary to protect the interests of the Corporation. The Corporation will notify you of the basis for its finding when a different rate is necessary to protect the Corporation's interests.

(3) The Chief Executive Officer may extend the 30-day period for payment without interest where he or she deter-

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mines that such action is in the best interest of the Corporation. A decision to extend or not to extend the payment period is final and is not subject to further review.

(b) *Penalty.* The Corporation will assess a penalty charge, not to exceed six percent a year, on any portion of a debt that is delinquent for more than 90 days.

(c) *Administrative costs.* The Corporation will assess charges to cover administrative costs incurred as a result of your failure to pay a debt before it becomes delinquent. Administrative costs include the additional costs incurred in processing and handling the debt because it became delinquent, such as costs incurred in obtaining a credit report, or in using a private collection contractor, or service fees charged by a Federal agency for collection activities undertaken on behalf of the Corporation.

(d) *Allocation of payments.* A partial payment by a debtor will be applied first to outstanding administrative costs, second to penalty assessments, third to accrued interest, and then to the outstanding debt principal.

(e) *Waiver.* (1) The Chief Executive Officer may (without regard to the amount of the debt) waive collection of all or part of accrued interest, penalty, or administrative costs, if he or she determines that collection of these charges would be against equity and good conscience or not in the best interest of the Corporation.

(2) A decision to waive interest, penalty charges, or administrative costs may be made at any time before a debt is paid. However, where these charges have been collected before the waiver decision, they will not be refunded. The Chief Executive Officer's decision to waive or not waive collection of these charges is final and is not subject to further review.

§ 2506.8 What opportunity do I have to obtain a review of my debt within the Corporation.

(a) *Request for review.* If you desire a review within the Corporation concerning the existence or amount of the debt, the proposed schedule for offset of federal employee salary payments, or whether the debt is past due or legally

enforceable, you must send such a request to the Corporation office designated in the notice to debtor. (See § 2506.6(c)).

(1) Your request for review must be signed by you and fully identify and explain with reasonable specificity all the facts and evidence that support your position.

(2) The request for review must be received by the designated office on or before the 60th calendar day following the date of the notice. Timely filing will stay the commencement of collection procedures. If you file a request for a review after the expiration of the 60 day period provided for in this section, the Corporation will accept the request if you can show that the delay was the result of circumstances beyond his or her control or because you did not receive notice of the filing deadline (unless you had actual notice of the filing deadline).

(b) *Review of Corporation records related to the debt.* (1) In accordance with § 2506.6, if you want to inspect or copy Corporation records related to the debt, you must send a letter to the official designated in the notice to the debtor stating his or her intention. Your letter must be received within 30 calendar days after the date of the notice to debtor.

(2) In response to a timely request submitted by the debtor, the designated official will notify you of the location and time when you may inspect and copy records related to the debt.

(3) If personal inspection is impractical, reasonable arrangements will be made to send you copies of those records.

(c) *Review official.* The Chief Executive Officer shall designate an officer or employee of the Corporation (who was not involved in the determination of the debt) as the review official. When required by law or regulation, the Corporation may request an administrative law judge to conduct the review, or may obtain a review official who is an official, employee, or agent of the United States (but who is not under the supervision or control of the Chief Executive Officer). However, unless the review is conducted by an official or employee of the Corporation,

any unresolved dispute you have regarding whether all or part of the debt is past due or legally enforceable (for purposes of collection by tax refund offset under § 2506.31), must be referred to the Chief Executive Officer for ultimate administrative disposition, and the Chief Executive Officer must directly notify you of his or her determination.

(d) *Review procedure.* After you request a review, the reviewing official will notify you of the form of the review to be provided. The reviewing official shall determine the type of review to be conducted (i.e. whether an oral hearing is required), and shall conduct the review in accordance with the standards included in 4 CFR 102.3(c). If the review will include an oral hearing, the notice will set forth the date, time, and location of the hearing. If the review will be on a written record, you will be notified that you should submit arguments and evidence in writing to the review official by a specified date after which the record will be closed. This date will give you reasonable time to submit documentation.

(e) *Date of decision.* The reviewing official will issue a written decision, based upon either the written record or documentary evidence and information developed at an oral hearing, as soon as practical, but not later than 60 days after the date on which the Corporation received your request for a review, unless you request and the review official grants a delay in the proceedings.

(f) *Content of review decision.* The review official shall prepare a written decision that will include:

(1) A statement of the facts presented to support the origin, nature, and amount of the debt;

(2) The reviewing official's findings, analysis, and conclusions; and

(3) The terms of any repayment schedules, if applicable.

(g) *Interest, penalty, and administrative cost accrual during review period.* During the review period, interest, penalties, and administrative costs authorized by law will continue to accrue.